

**AWARD FEE EVALUATION PLAN (AFEP)  
FOR  
MANUFACTURING TECHNOLOGY, INC.**

**PARTS OBSOLESCENCE**  
12 FEB 2000

**(GENERIC TEMPLATE)  
IDIQ CONTRACT NUMBER F09603-01-D-0123**

**APPROVED BY: \_\_\_\_\_**  
**TBD -**  
**FEE DETERMINING OFFICIAL**  
**Director of Contracting**

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### ORGANIZATION

FEE DETERMINING OFFICIAL	TBD
AWARD FEE REVIEW BOARD CHAIRPERSON	TBD
AWARD FEE BOARD MEMBERS	TBD
RECORDER	TBD
PERFORMANCE MONITOR:	TBD

## **AWARD FEE EVALUATION PLAN**

A. **PURPOSE.** The purpose of this Award Fee Evaluation Plan (AFEP) is to encourage and reward the contractor for timely responsiveness and cost conscious performance in fulfilling the requirements set forth in this contract. For this to be an effective measurement of overall performance, it is very important that the joint forecasting process between the Contractor and the Air Force provides agreed upon and accurate forecast quantities and scheduling of items required under this contract.

B. **INTRODUCTION:**

1). This AFEP will serve as the guiding document for the evaluation of the contractor's performance and serve as the basis for the overall assessment provided to the Fee Determining Official (FDO). This plan details the procedures to be followed in preparing the evaluation, the functions of the award fee evaluators, the evaluation criteria, and defines the evaluation periods.

2). The Award Fee Pool will be administratively set aside for the basic contract at the time that orders are awarded. The amount of fee awarded is a result of the Government's evaluation of the contractor's performance in the evaluation period. The ultimate decision for the dollar amount awarded in each period is a unilateral one made by the FDO. Notwithstanding, the FDO shall implement the Award Fee process in a reasonable and equitable manner in order to compensate the Contractor for successfully achieving performance targets.

3). The Award Fee amount available for each evaluation period will be 13% of the total value of services performed during that period. There will be no rollover of unearned fee to subsequent evaluation periods.

4). SEE ATTACHMENT A-1

C. **ORGANIZATION STRUCTURE FOR AWARD FEE ADMINISTRATION:**

1). **Fee Determining Official (FDO):** The primary functions of the FDO are:

- a). Approve the members of the AFRB.
- b). Be the ultimate approval authority for this plan as well as any significant changes made to the plan following initial approval.
- c). Determine the amount of award fee earned by the contractor during each evaluation period.
- d). Notify the contractor, in writing, of the amount of the fee awarded for the specific evaluation period, along with a written evaluation of the contractor's performance within forty-five (45) days following the close of the evaluation period.
- e). The FDO may, at his discretion, provide the contractor with interim reports to assist in improving contractor performance.

2). **Award Fee Review Board (AFRB):** TBD The AFRB will conduct an evaluation of the contractor's performance at the end of the evaluation period. Final decision concerning the recommended award fee will be made by the Chairman of the Award Fee Board. The Chairman will then provide a Contractor's Performance Evaluation Report (CPER) to the FDO, covering the board's findings and recommendations for each evaluation period. The Chairman will also review and recommend changes to the Award Fee Evaluation Plan to the FDO and prepare interim reports as required by the FDO.

3). **Contractual Actions:** The PCO will implement all required award fee contractual actions.

D. **AWARD FEE PROCESS:**

1). The procedures to be followed in determining and awarding the fee for each evaluation period are included below. In order to fully incentivize the contractor to improve performance, it is critical that evaluation activity and awarding of the fee be accomplished in a timely manner. The fee will be awarded within sixty (60) days after the close of each evaluation period.

- a). At the mid-term of the evaluation period, a review of the contractor's performance will be performed by the PM. Feedback concerning this performance will be provided to the contractor in writing.

b). The AFRB will review performance data as described on Attachment "A" and prepare the CPER for the FDO within twenty (20) days after the close of the evaluation period. The CPER will include a recommended Award Fee range and any suggested changes to the Award Fee Evaluation Plan with supporting documentation.

c). The contractor may submit to the PCO/PM within ten (10) working days after the end of each award fee evaluation period, a brief written self-evaluation of its performance for that period. This self-evaluation shall not exceed 6 pages and shall, as a minimum, address the evaluation criteria in the Award Fee Evaluation Plan. This self-evaluation will be used in the AFRB's evaluation of the contractor's performance during this period.

d). The FDO will determine the amount of the award fee to be paid to the contractor within forty-five (45) working days following the close of the evaluation period. The FDO will use the information presented by the AFRB to aid in determining the amount of the fee earned. The FDO's determination will be documented along with the basis for the determination in an Award Fee Determination Report (AFDR). The AFDR will be signed by the FDO and provided to the contractor. A copy of the AFDR will simultaneously be sent to the PCO for contract modification efforts, as appropriate.

e). A contract modification will be issued to implement the FDO decision within fifteen (15) days of the determination and not later than sixty (60) days after the close of the evaluation period. A modification is not required in an instance where no fee is awarded.

**2). TERMINATION/OPTIONS:** If the contract is terminated for the convenience of the Government after the start of an evaluation period, the maximum award fee will be prorated. For example, if the contractor has completed 50% of the work as determined by the Termination Contracting Officer (TCO), a proportionate amount of the award fee pool associated with those items will be available for payment. After termination for convenience the remaining award fee amounts allocated to all subsequent award fee evaluation periods cannot be earned by the contractor and therefore, shall not be paid.

**E. AWARD FEE EVALUATION PLAN CHANGES**

**1). Right to make unilateral change:** The Government may make unilateral changes to the plan prior to the beginning of an evaluation period. Changes to the plan affecting the current evaluation period must be by mutual agreement by both parties. Changes to the plan will be in writing, and may result in a formal contract modification at the discretion of the WR-ALC PCO/PM. If unilateral changes are made, the contractor will be notified at least 30 days prior to the evaluation period.

**2). Method for changing the plan:**

a). The AFRB shall consider all recommended changes and either approve or recommend approval to the FDO for significant changes, or document the reason for non-concurrence. If a recommendation is not accepted, the submitter shall be notified in writing of the decision along with rationale. The FDO shall have final approval authority for all significant recommended changes.

b). The contractor may also submit recommended changes through the WR-ALC PCO/PM to the AFRB for consideration.

**\*\*\*Note:** Each ordering office/user shall be responsible for committing/reserving Award Fee funds sufficient to cover the maximum Award Fee for fee bearing CLINs ordered. Award Fee funds shall be committed/reserved IAW ordering office/user funds management guidelines. Upon notification by the PCO of the FDO decision, ordering offices/users shall be required to provide within fifteen (15) days their apportioned share of the award fee to the Primary PCO.

Award Fee Evaluation Periods

**TO BE DETERMINED ON EACH INDIVIDUAL ORDER**

EVALUATION FACTORS	UNSATISFACTORY (0 - 49)	SATISFACTORY (50 - 85)	VERY GOOD (86 - 95)	EXCELLENT (96 - 100)
<p>ion A: Task Performance</p> <p>Quality of Work</p>	<p>Failed to meet most task/contract requirements. Work was poorly organized, unprofessional, &amp; required much interpretation or rework. Most deliverables were incomplete or inaccurate. Customer is very dissatisfied with performance.</p>	<p>Met majority of task/contract requirements. Majority of work was adequate &amp; required little rework. Deliverables were complete &amp; accurate in most respects. Customer reasonably satisfied with overall performance.</p>	<p>Met almost all task/contract requirements. Support to customer was very good, well coordinated, &amp; ensured task accomplishment. Employees put forth an extra effort to accomplish tasks. Deliverables were complete &amp; accurate in all cases. Customer very satisfied with performance.</p>	<p>Met all task/contract requirements (100%). Support to customer was excellent, well coordinated, &amp; all task goals were met. Employees displayed exceptional knowledge &amp; put forth a commendable effort to accomplish tasks. Deliverables were exceptional &amp; met all expectations. Customer extremely satisfied with performance.</p>
<p>Progress/Responsiveness To</p> <p>d Deficiencies</p>	<p>Major deficiencies were not corrected &amp; often reoccurred. Customer feedback was disregarded &amp; little effort was made to respond to most of the customer's concerns. Most responses (approx. 50% or more) were untimely.</p>	<p>Average success was achieved in correcting identified deficiencies. Government attention was occasionally necessary to assure compliance with customer comments. Almost all deficiencies were corrected in a timely manner.</p>	<p>Above-average success was achieved in correcting identified deficiencies. Government attention was not necessary to assure compliance with customer comments. Responses were positive to fixing all noted deficiencies. All deficiencies (100%) were corrected in a timely manner.</p>	<p>Superior success was achieved in correcting identified deficiencies &amp; employee(s) were proactive in working with customers to identify problems before they escalated. All deficiencies (100%) were corrected in an expedient manner. Employee responses were positive &amp; very professional.</p>
<p>ion B: Management Performance</p> <p>Staffing</p>	<p>Failed to provide qualified personnel for all tasks (spot check revealed 3 or more employees were not qualified for their positions). Management was extremely slow in updating staffing after repeated feedback from customer. A large percentage of the staff was not in place when required by the task. Customer was very dissatisfied with staffing efforts.</p>	<p>Provided fully qualified staff in almost all cases (spot check revealed that only 1 employee was not qualified for his or her position). Management was cognizant of customer needs &amp; provided almost all of the staffing required on assigned tasks when required by the task. Customer reasonably satisfied with staffing efforts.</p>	<p>Provided fully qualified staff in all cases (spot check revealed that all employees met minimum qualifications for their positions). Management was cognizant of customer needs &amp; provided 100% of the staffing required on assigned tasks when required by the task. Customer well satisfied with staffing efforts.</p>	<p>Provided fully qualified staff in all cases &amp; exceptionally qualified staff in some cases (spot check revealed that a large number of employees exceeded minimum qualifications for their positions). Personnel status was frequently reviewed to ensure customer needs were met. 100% of the staffing required on assigned tasks was provided when required by the task. Customer extremely satisfied with staffing efforts.</p>

EVALUATION FACTORS	UNSATISFACTORY (0 - 49)	SATISFACTORY (50 - 85)	VERY GOOD (86 - 95)	EXCELLENT (96 - 100)
B-2 Cost Management	Failed to manage or control costs within contract & task projections. Actual labor hour costs exceeded rates listed in rate tables by more than 2%. A large percentage of actual costs exceeded task estimates. Most cost documentation was inadequate & costs were difficult to track.	Costs were managed & used in a cost-effective manner. Actual labor hour costs exceeded rates listed in rate tables by 1.5% or less. Costs incurred were consistent with estimated costs & cost management guidelines. Budget & cost management practices & procedures met requirements. Indirect, G&A, and overhead pools for future fiscal years are budgeted. Most task order cost projections was met. Cost documentation was adequate & easy to track.	Costs were managed & controlled by working with customers & program office. Actual labor hour costs exceeded rates listed in rate tables by 1% or less. Almost all cost projections were met or under-run. Some gains were made in reducing task costs. Costs were tracked well enough to identify most variances. Indirect, G&A, and overhead pools for future fiscal years are budgeted	Costs were managed & controlled by working with customers & program office. Actual labor hour costs at or below rates listed in rate tables. All cost projections were met or under-run. Significant gains were made in reducing task costs. Costs were tracked well enough to identify all variances. Indirect, G&A, and overhead pools for future fiscal years are budgeted and provisional rates approved
B-3 Interface	Failure to communicate with customers resulted in several significant problems. Management style was poor & the contractor frequently failed to follow normally acceptable management practices. Several problems, some major, occurred due to the prime contractor's failure to adequately control subcontractor(s). Little or no interest was shown on task or management issues, which led to frequent problems & delays in accomplishing the tasks. Customer was very dissatisfied with interface practices.	Communication with the customers was good. Only a few minor problems occurred due to communication problems. Management style was good & the contractor almost always followed normally acceptable management practices. Only a few minor problems occurred due to the prime contractor's failure to control subcontractor(s). Adequate interest was shown on task or management issues to prevent problems or delays in accomplishing the tasks. Customer was reasonably satisfied with interface practices.	Communication with the customers was frequent & very proactive. Additional efforts to improve communication led to a good team relationship between the contractor & the customer. Management style was excellent & the contractor followed normally acceptable management practices. Prime contractor exhibited good subcontractor control & no problems occurred due to a failure to control subcontractor(s). Above normal interest were shown on task or management issues, which resulted in the prevention of almost all problems. Customer was very satisfied with interface practices.	Lines of communication with the customers were superior, timely, & led to efficient & proactive management by the contractor & greatly assisted the Government in making program decisions. Additional communication efforts led to an excellent team relationship between the contractor & the customer. Management style was superior & the contractor followed normally acceptable management practices. Prime contractor exhibited excellent subcontractor control & no problems occurred due to a failure to control subcontractor(s). Contractor aggressively sought out solutions to problems & resolved most issues before they became problems. Customer extremely satisfied with interface practices.

# EVALUATION STATUS REPORT

Organization: \_\_\_\_\_ Period of Performance: \_\_\_\_\_

Contractor: \_\_\_\_\_ Fee Period: \_\_\_\_\_

Delivery Order: \_\_\_\_\_

## PART 1

### A. Task Performance:      WEIGHT: 60%

<u>Factor</u>	<u>Score</u>		<u>Factor Weight</u>		<u>Weighted Score</u>
A-1: Quality of Work	_____	x	70%	=	_____
A-2: Progress and Responsiveness to Noted Deficiencies	_____	x	30%	=	_____
Total Weighted Score					= _____

### B. Management Performance:      WEIGHT: 40%

<u>Factor</u>	<u>Score</u>		AF Period 2-10 <u>Factor Weight</u>		<u>Weighted Score</u>
B-1: Staffing	_____	x	35%	=	_____
B-2: Cost Management	_____	x	50%	=	_____
B-3: Interface	_____	x	15%	=	_____
Total Weighted Score					= _____

## EVALUATION STATUS REPORT (Con't)

Organization: \_\_\_\_\_ Period of Performance: \_\_\_\_\_

Contractor: \_\_\_\_\_ Award Fee Period: \_\_\_\_\_

Delivery Order: \_\_\_\_\_

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### PART 2

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1. Impact of the contractor's performance on execution of the program:
  
  
  
  
  
  
  
  
  
  
  2. Special conditions which influenced the ratings on Part 1 of this Evaluation Status Report:
  
  
  
  
  
  
  
  
  
  
  3. Strengths of the contractor's performance:
  
  
  
  
  
  
  
  
  
  
  4. Weaknesses in the contractor's performance:
  
  
  
  
  
  
  
  
  
  
  5. Corrective actions recommended:
  
  
  
  
  
  
  
  
  
  
  6. When and how feedback was provided to the Contractor during the Award fee period?
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**AWARD FEE  
POINT SCORE COMPILATION**

Award Fee Period: \_\_\_\_\_

**A. Task Performance:**

Total Consumption Weighted Task  
Performance Score = \_\_\_\_\_

Task Performance Weighting Factor x 60%

Total Task Performance Points = \_\_\_\_\_

**B. Management Performance:**

<u>Factor</u>	<u>Score</u>		<u>Factor Weight</u>	<u>Weighted Score</u>
B-1: Staffing	_____	x	35%	= _____
B-2: Cost Management	_____	x	50%	= _____
B-3: Interface	_____	x	15%	= _____

Total Consumption Weighted Management  
Performance Score = \_\_\_\_\_

Management Performance Weighting Factor x 40%

Total Management Performance Points = \_\_\_\_\_

**C. Cumulative Award Fee Points:**

(Task Performance Points + Management  
Performance Points) = \_\_\_\_\_

**CONTRACTOR PERFORMANCE EVALUATION REPORT  
(CPR)**

EVALUATION PERIOD \_\_\_\_\_

CONTRACT NUMBER \_\_\_\_\_

DELIVERY ORDER NUMBER \_\_\_\_\_

CONTRACTOR \_\_\_\_\_

DATE OF REPORT: \_\_\_\_\_

AFRB CHAIRPERSON: \_\_\_\_\_

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**TASK PERFORMANCE (CUSTOMER)**

TOTAL TASK PERFORMANCE POINTS = \_\_\_\_\_

TOTAL MANAGEMENT PERFORMANCE POINTS = \_\_\_\_\_

CUMULATIVE AWARD FEE POINTS = \_\_\_\_\_

AFRB RECOMMENDED AWARD FEE: = \_\_\_\_\_

AFRB CHAIRPERSON SIGNATURE: \_\_\_\_\_